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SUBJECT: BRAZIL: LATEST ON CLIMATE CHANGE OFFER AND PRE-COPENHAGEN  
POSITIONING

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¶1. (SBU) SUMMARY. On November 13, the Government of Brazil (GOB) unveiled its position for the Conference of the Parties-15 (COP-15) to the UN Framework Convention on Climate Change (UNFCCC) in Copenhagen. The GOB has announced that it will seek to reduce its economy-wide greenhouse gas emissions by between 36.1 and 38.9 percent by 2020 compared with projected "business as usual" emissions. Two-thirds of the reductions will come from reducing the deforestation rate in the Amazon region and - as part of a new measure - in the savannah region called the Cerrado. Brazil has come to accept that Copenhagen will produce a political outcome and it understands that there are domestic constraints that preclude the USG from significantly increasing its proposed reductions in emissions for 2020. The GOB has joined up with other countries - China, India and South Africa (the "BASIC" Group) and the Amazon countries - in an attempt to increase pressure on developed countries to make deep reductions in their emissions by 2020, to obtain commitments for significant amounts of financial assistance, technology transfer, and capacity building, and to obtain a commitment not to create trade measures related to climate change.  
END SUMMARY

THE GOB PROPOSAL

¶2. (SBU) On November 13, the GOB rolled out the nationally appropriate mitigation actions (NAMAs) that it plans to present at Copenhagen. Despite earlier hesitation about announcing a voluntary economy-wide emissions target (REFTEL), Dilma Rousseff, the Head of the Presidency (Casa Civil) and head of the Brazilian delegation to Copenhagen, announced that Brazil would reduce its greenhouse gas (GHG) emissions - i.e., CO2 emissions or CO2 equivalents - by between 36.1 and 38.9 percent by 2020 compared with the projected emissions under a "business as usual" (BAU) scenario. The GOB projects BAU emissions of 2.703 billion tons in 2020 and is aiming to have reductions of between 973 million and 1.052 billion tons.

¶3. (SBU) The GOB has provided the following analysis of how it will achieve these reductions (in terms of tons of GHG emissions) contrasted with the projected emissions under a 2020 BAU scenario. The projected 2020 BAU emissions for each source and anticipated percentage reduction (shown in parenthesis) from the total 2020 BAU projection of 2.703 billion tons are indicated below for each set of NAMAs.

NAMAs	2020 PROJECTED REDUCTIONS vs. BAU (in millions of tons of CO2)
Reducing Deforestation Rate	669(24.7%) 1084

-Amazon Biome	(564)	
-Cerrado Biome	(104)	
Agriculture Practices	133 to 166(4.9-6.1%)	627
-Recuperation of Pastures	(83 to 104)	
-Integrated Ag Practices	(18 to 22)	
-Direct "No Till" Planting	(16 to 20)	
-Biological Nitrogen Fixing	(16 to 20)	
Energy Measures	166 to 207(6.1-7.7%)	901
-Energy Efficiency	(12 to 15)	
-Increased Biofuels Use	(48 to 60)	
-More Hydroelectric Power	(79 to 99)	
-Alternative Sources of Energy (Bioelectricity, Wind, etc.)	(26 to 33)	
Other Measures	8 to 10(0.3-0.4%)	92
-Use of Sustainable Charcoal in Pig Iron/Steel Sector	(8 to 10)	
TOTAL	975 to 1,052(36.1-38.9%)	2,703

¶4. (SBU) COMMENT. The new development within this table is that the GOB has shifted from a roughly 50-50 split on reductions from reducing deforestation and from other NAMAs. (REFTEL) Now, the breakdown is roughly two-thirds from reducing deforestation and one-third from other measures. To pump up the reductions from deforestation, the GOB has added a new NAMA - reducing deforestation in the savannah region called the Cerrado - which is projected to be cut by 40% or by about 100 million tons of GHG emissions. Unlike its approach to deforestation in the Amazon biome, the GOB until now has not vigorously sought to reduce deforestation in the Cerrado and, in fact, lacks even basic information on the current rate of deforestation there. Nonetheless, the GOB has made the Cerrado deforestation NAMA its second most important source of GHG emissions reductions. END COMMENT.

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¶5. (SBU) Achieving the reductions from the Amazon deforestation NAMA will not be as challenging for Brazil as it might look because the GOB is using a BAU emission rate of over 700 million tons for 2020 when the current rate (SEPTTEL) is really only about 300 million tons. Thus, the GOB has already reduced emissions from this source by approximately 400 million tons (equal to 70 percent of the NAMA target and about 40 percent of its economy wide target), assuming it can hold the Amazon deforestation rate at or below the current level. Reducing emissions from other sources will likely be more daunting. The Ministry of Science and Technology released on November 25 its carbon inventory for 2005, which showed a 52 percent increase in emissions from non-deforestation sources (energy, industry, agriculture, etc.) from around 615 million tons in 1990 to 935 million tons in 2005. In fact, the GOB projects as part of its BAU calculations around a 70 percent increase in emissions from the non-deforestation sources by 2020, i.e., an increase of about 635 million tons to 1.6 billion tons in 2020. It is unknown how much the GOB included in its BAU projections for emissions related to bringing on line the production from the vast offshore oil and gas reserves Brazil has recently discovered.

¶6. (SBU) NOTE. If Brazil can hold its emissions to about 1.65 billion tons in 2020, this would represent a 25 percent decrease compared with the 2.2 billion tons emitted in 2005. However, that level in 2020 would constitute a 21 percent increase compared with ¶1990. END NOTE.

#### REACTION TO U.S. PROPOSAL AND A POLITICAL OUTCOME

¶7. (SBU) President Luiz Inacio Lula da Silva and Dilma Rousseff have both said that Brazil is putting out an ambitious economy-wide emissions number to put pressure on the United States and China and others to do the same. The GOB was not surprised by the proposals on emissions reductions and control recently put forward by the United States and China. However, Brazil has been calling for deeper emissions reductions by the United States and other developed countries for 2020. In that vein, Lula said on November 16, "The

numbers President Obama presented are small for the amount of emissions the United States has produced over the last 200 years. The [emission reduction numbers] represent only half of Brazil's commitment to reduce deforestation in the Amazon. If Brazil can do it, the United States can do a lot more." On November 29, however, Minister of External Relations Celso Amorim told the press of his recent conversation with Secretary Clinton on climate change, among other topics. Amorim called the USG proposal for Copenhagen a step in the right direction.

¶18. (SBU) The announcement in Asia of the United States' and China's determination to seek a political commitment at Copenhagen instead of a legal agreement confirmed what the GOB had anticipated for some time. After the announcement, Rousseff said that Brazil would also seek a political agreement at Copenhagen, which would be followed by a legal agreement.

¶19. (SBU) In a letter to President Obama dated November 26, Lula said that he too would go to Copenhagen. He stressed the need to be ambitious there and not to reduce expectations on the eve of the conference. Lula wrote that he understood the domestic context facing the USG, but emphasized that the USG has a crucial role to play to achieve success at COP15. He said national contributions need to be clear, and emphasized that specific numbers on mitigation and financing are necessary to generate a robust result. Lula noted that Brazil had resolved to reduce emissions by 36 to 39 percent by 2020, even though it was not an Annex I country.

#### THE BASIC AND THE MANAUS GROUPS

¶10. (SBU) The GOB has been actively reaching out to other countries both from a defensive posture and in a positive fashion. Most recently, Brazil joined China, India and South Africa ("BASIC" in Portuguese) in Beijing on November 26-27 to develop a joint position to take to Copenhagen. The Indian press portrayed this as a threaten walkout unless the developed countries agreed to their demands. These demands included a reduction by developed countries of their emissions by 40% by 2020 compared with 1990 and providing substantial financial assistance, as well as a statement that developed countries will not impose any trade barriers related to climate change. Also the BASIC countries rejected inclusion of the peak year concept or any other binding emissions limitations for developing countries and international review of their mitigation actions if they are not supported by the international community. However, the Brazilian representative, Ambassador Marcel Biato (international affairs advisor to the Presidency), did not focus on a possible walkout in his press interview after the meeting. Instead, he said that "With a joint position, we will be able to do what the United States has done in recent international

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negotiations, which is the "name and shame," which means "identify those responsible for the eventual failure of negotiations and attribute responsibilities." On November 29, Minister Amorim emphasized to the press that Brazil would not accept an agreement that could lead to possible trade measures, a key BASIC group demand.

¶11. (SBU) Biato explained that China had called the meeting out of concern that it might become the scapegoat in the event of a failure at Copenhagen. "We have the perception that the developed countries are preparing themselves and we need to have our own common position, in order not to be at their mercy," Biato told the press. "The internal measures of the developing countries are domestic obligations, but cannot become obligations to the international community. We have the potential to contribute more to address global warming, but without breaking the spirit of the Kyoto Protocol," stated Biato. He considered as insufficient the proposal of the USG to reduce its emissions by 17% by 2020 against 2005, which is the equivalent of 4.8% in relation to 1990, well below the 40% the emerging countries are calling for.

¶12. (SBU) COMMENT. While it is possible that Brazil could join in a walkout with the other BASIC members, it seems unlikely or, if it did so, it wouldn't stay out long. With Lula planning to attend Copenhagen, a walkout would tarnish his image, especially since he

has been publicly urging President Obama and other leaders to come to Copenhagen. Further, domestic politics are playing an increasing role. The two strongest rival candidates for the presidency - Sao Paulo Governor Jose Serra and Acre Senator Marina Silva - are already claiming that Lula and Rousseff are not doing enough on climate change. A walkout would signal a failure at Copenhagen and would probably play to the advantage of Rousseff's rivals. END COMMENT.

¶13. (SBU) A day before on November 26 the BASIC meeting, President Lula chaired a meeting in Manaus of Amazon countries with representatives from Peru, Colombia, Ecuador, Venezuela, Bolivia, Suriname, Guyana, and France. (COMMENT: Although billed as a summit, Guyanese President Jagdeo and French President Sarkozy--representing French Guyana--were the only other two heads of state who attended. Sarkozy was a late addition, and his participation clearly had more to do with France's effort to sell fighters than with concern over French Guyana's forest interests. Although the paltry attendance by other leaders is being interpreted in Brazil as disinterest in climate issues (and as a defeat for Lula's leadership), a series of factors were at play: the relatively last-minute nature of the meeting, the ongoing dispute between Venezuela and Colombia, Bolivia's upcoming elections, the Peru-Chile spy scandal, and a previously scheduled trip to Belgium by Ecuadorian President Correa all made the invitation less than appealing to the various leaders. END COMMENT.)

¶14. (SBU) The group issued a joint statement that included some of the demands of the BASIC group. In particular on reductions by developed countries, it said:

"We call upon all developed countries to implement significant emission reductions, according to their historical responsibilities. The adoption of ambitious quantified economy-wide reduction commitments by all developed countries is essential to ensure that their mitigation effort will be at a level of at least the 40 percent reduction recommendation of the Intergovernmental Panel on Climate Change (IPCC) and compatible with the need to protect the climate system. We call upon all developed countries, including those Annex I Parties that are not members of the Kyoto Protocol, to present clear, detailed and unconditional numbers for their commitments at the 15th Conference of the Parties to the UNFCCC, as they are a key element to allow for an agreed outcome."

¶15. (SBU) The Manaus group reaffirmed the G-77 proposal calling for an allocation by developed countries of 0.5 to 1 percent of their GDP in support of climate actions by developing countries, as well as providing technology transfer and capacity building. The Manaus group explicitly expressed support for including Reducing Emissions from Deforestation and forest Degradation (REDD) in the results from Copenhagen, together with financial and technological support for the protection of biological diversity. The Manaus group was concerned about trade measures, as was the BASIC group, saying that "Measures presented by developed countries as part of a mitigation effort should not generate unilateral trade restrictions or strengthen trade protectionism." Unlike the BASIC group, however, the Manaus group did not voice an opinion on the concept of peak years for developing countries, and the Manaus group seemed to have a favorable view on monitoring of NAMA. The group declared, "An instrument could be created to provide for the measuring, reporting and verifying of actions and support. Non-supported actions should be internationally recognized."

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COMMENT

¶16. (SBU) Brazil has gone farther with its proposal on emissions reductions than any other developing country in the BASIC group or the Manaus group. Moreover, it is openly calling for China - not just the United States and other developing countries - to make an ambitious proposal at Copenhagen. The GOB clearly wants to keep pressure on the United States and developed countries with respect to financing and technology transfer and capacity building, as well as precluding the creation of trade measures related to climate change. As evidenced by Lula's letter to Obama, Brazil understands

well that the United States will not be making significantly greater reductions for 2020 than already announced. END COMMENT.

JACKSON